

FILED

JUN 19 2015

SECRETARY, BOARD OF
OIL, GAS & MINING

**BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

**IN THE MATTER OF THE REQUEST
FOR AGENCY ACTION OF RIG II,
LLC, FOR AN ORDER FORCE
POOLING THE INTERESTS OF ALL
OWNERS REFUSING TO AGREE TO
LEASE THEIR INTERESTS OR
OTHERWISE BEAR THEIR
PROPORTIONATE SHARE OF THE
COSTS OF DRILLING OPERATIONS
FOR THE PAPPADAKIS #15-24-2-1E
WELL IN THE DRILLING UNIT
ESTABLISHED BY THE ORDER IN
CAUSE NO. 139-42, COMPRISING
SECTION 24, TOWNSHIP 2 SOUTH,
RANGE 1 EAST, U.S.M., WITHIN THE
GREATER ALTAMONT-BLUEBELL
AREA, UINTAH COUNTY, UTAH, FOR
THE PRODUCTION OF OIL AND GAS
FROM THE LOWER GREEN RIVER
AND WASATCH FORMATIONS.**

**MOTION FOR ORDER TO
CONTINUE HEARING**

Docket No. 2014-44

Cause No. 139-26

RIG II, LLC ("**RIG II**"), by and through its counsel of record, moves the Board of Oil, Gas and Mining ("**Board**"), pursuant to R641-105-300 of *Utah Administrative Code* (2015), to continue this matter until the scheduled hearing on September 16, 2015. The grounds for the Motion are as follows:

1. RIG II filed its Request for Agency Action ("**Request**") on November 12, 2014, requesting the Board to differentiate the correlative rights in the Spaced Interval in the Drilling Unit described in the above caption, to quantify those rights for proper allocation of costs for

production, to involuntarily pool those oil and gas interests not heretofore voluntarily pooled, to assess the risk compensation award, and to make other findings, as required by *Utah Code Annotated* § 40-6-6.5 (West Supp. 2014).

2. RIG II subsequently filed a Motion to Bifurcate Hearing to exclude lands owned by the State Road Commission, (now Utah Department of Transportation) (“**UDOT Lands**”) managed by and through the Division of Fire, Forestry and State Lands (“**DDFSL**”) and lands held by the United States, as trustee, and for the Heirs and/or Devisees of Che-aga-rah, aka Henry Reeve, and of George Parvedro, allottees, of the Uintah and Ouray Reservation (“**Excluded Lands**”), and to continue consideration of the Excluded Lands and their owner’s interests to the Board’s regularly scheduled hearing on April 22, 2015. The Board granted the motion by bench ruling at the hearing.

3. The Board heard this matter at its regularly scheduled hearing on January 28, 2015; and on March 16, 2015, entered its Findings of Fact, Conclusions of Law, and Order (“**Order**”) force pooling those interests that were not excluded from the January 28, 2015 hearing.

4. In its Order the board stated that if the April hearing presented a deadline that was impracticable for RIG II to fully present evidence and legal analysis regarding how the Order should affect the Excluded Lands, a motion to continue the matter to the June hearing would be entertained.

5. Since the January 28, 2015 hearing, RIG II participated in DFFSL's March 2015 oil and gas lease sale by submitting its bid to lease UDOT's oil and gas estate underlying U.S. Highway 40 that comprises part of the Excluded Lands.

6. On March 30, 2015, DFFSL awarded those leasing rights to Anderson Energy Company ("**Anderson**") who was the high bidder on the parcel.

7. On April 7, 2015, RIG II submitted a Motion for Order to Continue Hearing in which it requested that the Board's consideration of the Excluded Lands be postponed until the Board's regularly scheduled June 24, 2015 hearing on the grounds that continuing the hearing until that date would allow RIG II and to negotiate the voluntary participation of Anderson's newly acquired interest in the Drilling unit and allow the Heirs and Devisees additionally time to respond to RIG II's offer to lease their land. The Board granted this motion on April 15, 2015.

8. Since that time, RIG II and Anderson have agreed to terms whereby Anderson will assign its lease awarded by DFFSL to RIG II. However, DFFSL has yet to issue the lease to Anderson, preventing Anderson from assigning the lease to RIG II.

9. With regard to the Indian Allotted lands that comprise the balance of the Excluded Lands, RIG II and the Bureau of Indian Affairs coordinated a town hall meeting on June 4, 2015, attended by Heirs and/or Devisees of Che-aga-rah, aka Henry Reeve, and of George Parvedro, allottees where RIG II's offer to lease was presented to the Heirs and Devisees. The lease offer was favorably received, and as of this filing, RIG II is coordinating through the BIA a door-to-door canvass of Heirs and Devisees to obtain the necessary signatures for lease issuance.

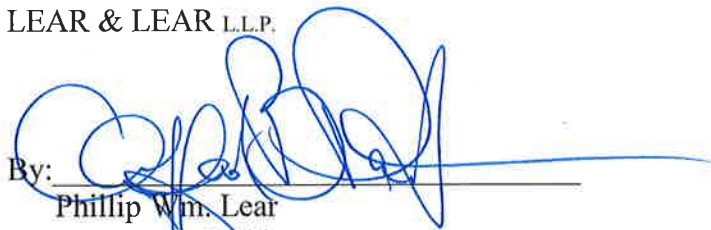
10. By continuing the matter to the September 16, 2015 hearing, DFFSL should have sufficient time to issue the lease for the UDOT Lands, which Anderson will subsequently assign to RIG II. Furthermore, by continuing the matter, the Heirs and Devisees will have additional time in which to acquire the necessary signatures to achieve the majority required for the Bureau of Indian Affairs to Issue the lease and to work toward a communization agreement.

11. RIG II believes that continuing this matter for an additional three months, as proposed, is prudent and will achieve a certain judicial economy that avoids withdrawal of the Request of Agency Action as to the Excluded Lands and the necessity of refileing and re-noticing the matter at a future date.

12. Having been advised of this motion, the Division has no objection to the requested continuance.

13. Respectfully submitted this 19th day of June, 2015.

LEAR & LEAR L.L.P.

By: 

Phillip Wm. Lear
Clifford B. Parkinson
Attorneys for RIG II, LLC
808 East South Temple Street
Salt Lake City, Utah 84102
Telephone: 801.538.5002
Facsimile: 801.538.5001

Petitioner's Address

RIG II, LLC
1582 West 2600 South
Woods Cross, Utah 84087-0298
Attention: Tyson Kalstrom

**BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

**IN THE MATTER OF THE REQUEST
FOR AGENCY ACTION OF RIG II,
LLC, FOR AN ORDER FORCE
POOLING THE INTERESTS OF ALL
OWNERS REFUSING TO AGREE TO
LEASE THEIR INTERESTS OR
OTHERWISE BEAR THEIR
PROPORTIONATE SHARE OF THE
COSTS OF DRILLING OPERATIONS
FOR THE PAPPADAKIS #15-24-2-1E
WELL IN THE DRILLING UNIT
ESTABLISHED BY THE ORDER IN
CAUSE NO. 139-42, COMPRISING
SECTION 24, TOWNSHIP 2 SOUTH,
RANGE 1 EAST, U.S.M., WITHIN THE
GREATER ALTAMONT-BLUEBELL
AREA, UINTAH COUNTY, UTAH, FOR
THE PRODUCTION OF OIL AND GAS
FROM THE LOWER GREEN RIVER
AND WASATCH FORMATIONS.**

**PROPOSED ORDER GRANTING
MOTION TO CONTINUE HEARING**

Docket No. 2014-44

Cause No. 139-26

The Board of Oil, Gas and Mining ("**Board**"), having considered RIG II LLC's Motion for Order to Continue Hearing, and good cause appearing therefore;

IT IS HEREBY ORDERED that the hearing in this matter is continued until the Board's scheduled hearing of the Board on September 16, 2015.

ENTERED this ___ day of June, 2015.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING

Ruland J. Gill Jr., Chairman